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## UPDATE

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**December 15, 2011**

### **QUOTA EXCHANGE**

The market-clearing price established for the December, 2011 Quota Exchange was \$29,000.00

The next Quota Exchange will be held on January 16, 2012. All offers to sell and bids to purchase quota through the Quota Exchange must be received at the SaskMilk office by midnight, January 6, 2012. SaskMilk recommends that offers and bids be submitted well in advance of the deadline date to ensure adequate time for corrections, if necessary.

Just a reminder to producers that when making bids on the Quota Exchange, the price on offers to sell quota is the minimum price that the producer is prepared to accept for that quota. Only if the market-clearing price is equal to or greater than the producer's minimum price will that producer qualify for participation in the Exchange. Conversely, the price on offers to purchase quota is the maximum price that the producer is prepared to pay for that quota. Only if the market-clearing price is equal to or less than the producer's maximum price will that producer qualify for participation in the Exchange. The clearing price is set at the price where the smallest difference exists between the accumulated volume offered for sale and the accumulated volume bid to purchase.

The results of the Quota Exchange are outlined in the following Table.

### **DECEMBER, 2011 QUOTA EXCHANGE RESULTS SUMMARY**

<b>Market Clearing Price per kilogram of butterfat</b>	<b>\$29,000.00</b>
<b>Daily Kilograms offered to Purchase</b>	<b>91.70</b>
<b>Kilograms offered to Sell</b>	<b>75.89</b>
<b>Kilograms sold</b>	<b>57.20</b>
<b>Number of Producers</b>	
- offered to purchase	10
- purchased quota	8
- offered to sell	4
- sold quota	4

### DECEMBER, 2011 QUOTA EXCHANGE CLEARING PRICE RESULTS

Price (\$/daily kg b.f.)	No. of Sellers	Cumulative Sellers	Daily Kgs b.f. offered for sale	Cumulative sales	Cumulative Sales less Cumulative purchases	Cumulative purchases	Daily Kgs b.f. offered to purchase	Cumulative Buyers	No. of buyers
27,000	1	1	0.89	0.89	-90.81	91.70	0.00	10	0
28,500	2	3	45.00	45.89	-45.81	91.70	24.50	10	1
28,750	0	3	0.00	45.89	-21.31	67.20	10.00	9	1
29,000	1	4	30.00	75.89	18.69	57.20	10.00	8	2
29,200	0	4	0.00	75.89	28.69	47.20	17.20	6	2
29,500	0	4	0.00	75.89	45.89	30.00	20.00	4	3
30,000	0	4	0.00	75.89	65.89	10.00	10.00	1	1

### TRANSFER CREDIT SUMMARY REPORT

MONTH	# OF PRODUCERS TRANSFER IN	# OF PRODUCERS TRANSFER OUT	TOTAL KGS BUTTERFAT
November	23	21	31,871
December	25	26	33,472
January/11	27	20	29,306
February	25	19	25,424
March	38	34	37,078
April	21	14	20,912
May	14	16	17,747
June	20	18	21,400
July	14	13	18,903
August	19	26	29,476
September	14	13	15,745
October	23	21	25,971
November	25	27	27,199

### OVER QUOTA (OVER 10 DAYS) REPORT BY MONTH

MONTH	# OF PRODUCERS	KGS BUTTERFAT
November	2	615
December	1	307
January 2011	0	0
February	2	134
March	0	0
April	1	104
May	2	185
June	2	392
July	2	267
August	1	78
September	2	157
October	3	357
November	3	329

## SUMMARY REPORT OF CREDITS November, 2011 – 180 PRODUCERS

DAYS	# OF PRODUCERS	POSITIVE CREDITS ACCUMULATED (KGS OF BUTTERFAT)
+10	3	1,068
+ 5 to +10	15	10,444
0 to + 5	12	3,111
TOTAL	30	14,623
DAYS	# OF PRODUCERS	NEGATIVE CREDITS ACCUMULATED (KGS OF BUTTERFAT)
-20	20	-32,177
-15 to -20	36	-137,882
-10 to -15	40	-73,954
-5 to -10	25	-19,449
0 to -5	29	-7,713.06
TOTAL	150	-271,174

## LOST OPPORTUNITY REPORT

MONTH	# OF PRODUCERS	LOST OPPORTUNITY (KGS OF BUTTERFAT)
November	33	25,200
December	20	6,612
January, 2011	18	3,201
February	20	5,047
March	13	2,251
April	20	5,157
May	24	6,688
June	18	5,490
July	24	7,904
August	24	10,994
September	28	13,098
October	21	8,137
November	18	5,354

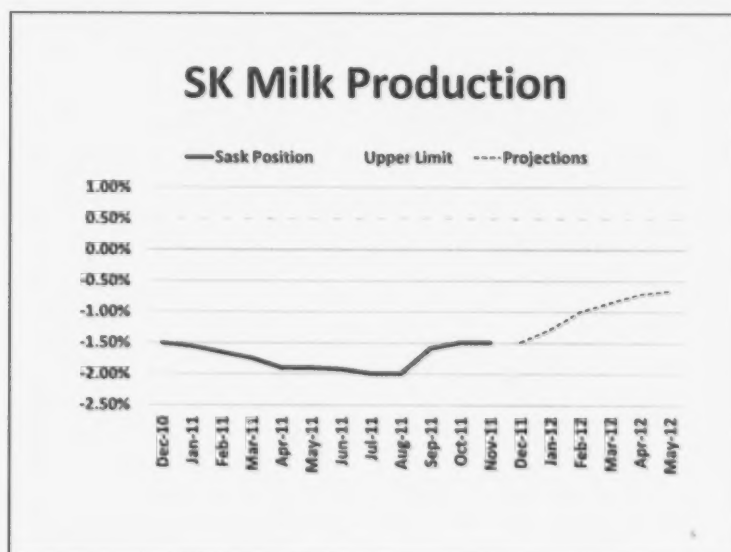
### WEIGHTED AVERAGE COMPONENT TESTS & PRICES November, 2011

Components	Average Test	Price per kilogram Class 1 to 5
Butterfat	4.0203	\$11.758885
Protein	3.4527	8.758867
Other Solids	5.6854	1.329730

Based on the average component tests for the province, the average price received was \$85.0711 per hectolitre. The average butterfat price received per kilogram was \$21.15

### SASKATCHEWAN MILK POOL RESULTS November, 2011

Milk Sale Revenue	\$ 14,546,874.67
Western Milk Pool	\$ 1,173,058.08
CDC Surplus Refund	\$ 325,455.00
Audit Adjustment	\$ -10,107.56
Dairy Farmers of Canada Skim Off	\$ -18,225.64
Plant of Last Resort Service	\$ -56,175.35
<b>Total Pool Value</b>	<b>\$ 15,960,879.20</b>



In November, Saskatchewan had a monthly CDC allocation of 767,697 kilograms of butterfat. In the month of November, Saskatchewan production was **-13,441 kilograms** of butterfat **under** and cumulatively **under** by **-134,492 kilograms** of butterfat. On a percentage basis, Saskatchewan is at **-1.50%** within our CDC allocation flexibility limits based on the Continuous Quota model. The -1.50% lower flexibility limit is in effect.

	(1) Monthly Total Production  Kgs bf	(2) Total Monthly CDC Quota Allocation  Kgs bf	(3) Monthly Over or (Under) Production  Kgs bf  col. 1 - 2 = 3	(4) Lower Flexibility Limit (1.5%)  Kgs bf  col. 9 * -1.5%	(5) Upper Flexibility Limit (1.0%)  Kgs bf  col. 9 * 1.0%	(6) Cumulative Over or (Under) Production with limits  Kgs bf	(7) Cumulative Over or (Under) Production with limits in - %  col. 6 / 9	(8) Over Quota or (Lost Production Opportunity)  Kgs bf	(9) Rolling 12 Month Total Quota  Kgs bf
Nov-10	686,111	752,717	(66,606)	(130,059)	43,353	(146,520)	-1.69%	(92,915)	8,670,615
Dec-10	731,120	785,901	(54,781)	(130,400)	43,467	(131,008)	-1.51%	(70,294)	8,693,300
Jan-11	742,948	758,126	(15,178)	(130,878)	43,626	(135,861)	-1.56%	(10,324)	8,725,211
Feb-11	673,205	682,398	(9,193)	(131,181)	43,727	(145,054)	-1.66%	0	8,745,397
Mar-11	748,293	757,080	(8,787)	(175,333)	43,833	(153,501)	-1.75%	0	8,766,601
Apr-11	723,139	737,593	(14,454)	(175,933)	43,983	(167,955)	-1.91%	0	8,796,654
May-11	750,663	750,954	(291)	(176,510)	44,127	(168,245)	-1.91%	0	8,825,483
June-11	723,059	725,685	(2,626)	(177,134)	44,283	(170,871)	-1.93%	0	8,656,690
July-11	725,673	736,879	(11,206)	(177,781)	44,445	(177,781)	-2.00%	(4,296)	8,889,063
Aug-11	733,202	745,258	(12,056)	(178,343)	44,586	(178,343)	-2.00%	(11,494)	8,917,144
Sep-11	716,780	744,377	(27,597)	(178,676)	44,669	(142,058)	-1.59%	(63,882)	8,933,794
Oct-11	762,771	774,172	(11,401)	(134,267)	44,756	(134,267)	-1.50%	(19,192)	8,951,139
Nov-11	754,256	767,697	(13,441)	(134,492)	44,831	(134,492)	-1.50%	(13,216)	8,966,120

- (1) Monthly Production in Saskatchewan
- (2) Total Monthly Quota = Class 1 sales + Monthly MSQ + Carry Forward
- (3) Difference between the monthly production (1) and the total monthly quota (2)
- (4) The Lower Flexibility Limit is -1.5% of Rolling 12 Month Total Quota (9)
- (5) The Upper Flexibility Limit is 1.0% of Rolling 12 Month Total Quota (9)
- (6) Previous Month Cumulative Over or (Under) Production + Current Monthly Over or (Under) Production (capped at lower or upper limit if applicable)
- (7) Equal to Column (6) expressed as a percentage basis within the flexibility limits
- (8) Over Quota or (Lost production opportunity) outside of flexibility limits
- (9) Total Monthly CDC Quota Allocation for the previous 12 months



## QUOTA LISTING SERVICE

SaskMilk offers a free quota listing service as part of its Newsletter. Anyone wishing to sell or purchase quota and/or cows or miscellaneous dairy equipment is welcome to contact the SaskMilk office at (306) 949-6999. All prices and negotiations will be independent of SaskMilk. **Please note that ads will be posted in two issues and will then be removed unless SaskMilk is notified otherwise.**

### Quota for sale

- Quota for sale – 41.61 kilograms. Contact Brian Sperling at (306) 647-2728

### 30<sup>th</sup> ANNUAL WESTERN DAIRY SEMINAR – Red Deer, Alberta

The Western Canadian Dairy Seminar is in its 30<sup>th</sup> year of providing dairy producers and dairy industry representatives with the latest applicable research findings to help ensure the profitability and sustainability of the Western dairy industry.

This seminar is of tremendous value to anyone with an interest in the dairy industry. A wide variety of topics are presented, ranging from nutrition and reproduction to dairy policy and challenges facing the dairy industry.

Please see the enclosed brochure for registration information.

## SASKMILK BOARD OF DIRECTORS

	<u>PHONE</u>	<u>EMAIL</u>
Blaine McLeod - Chair	(306) 756-2775	<a href="mailto:rb.mcleod@sasktel.net">rb.mcleod@sasktel.net</a>
Melvin Foth – Vice Chair	(306) 225-4678	<a href="mailto:fvl@sasktel.net">fvl@sasktel.net</a>
David Entz	(306) 741-0632	<a href="mailto:davidentz3662@gmail.com">davidentz3662@gmail.com</a>
Jack Ford	(306) 328-4700	<a href="mailto:jackford@sasktel.net">jackford@sasktel.net</a>
Jason Wildeboer	(306) 249-4358	<a href="mailto:skunkhollow@yourlink.ca">skunkhollow@yourlink.ca</a>
Isaac Klassen	(306) 249-4435	<a href="mailto:isaac00@sasktel.net">isaac00@sasktel.net</a>
Jim Ross	(306) 697-2232	<a href="mailto:jimleeholsteins@sasktel.net">jimleeholsteins@sasktel.net</a>
Juliann Lindenbach	(306) 771-2776	<a href="mailto:robella@sasktel.net">robella@sasktel.net</a>
Sheldon Peifer	(306) 862-9470	<a href="mailto:dspeifer@sasktel.net">dspeifer@sasktel.net</a>

For further information, please contact the SaskMilk office.

444 McLeod Street	Telephone (306) 949-6999
Regina, Saskatchewan S4N 4Y1	Fax: (306) 949-2605
Website: <a href="http://www.saskmilk.ca">www.saskmilk.ca</a>	Email: <a href="mailto:info@saskmilk.ca">info@saskmilk.ca</a>